



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

Gloria Molina
First District

Yvonne Brathwaite Burke
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

February 3, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AGREEMENT WITH L.A. CARE HEALTH PLAN FOR
PARTICIPATION IN THE EXPANDED HEALTHY KIDS PROGRAM**
(All Districts) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Health Services, or his designee, to sign an Agreement, substantially similar to Exhibit I, with L.A. Care Health Plan, for the provision of inpatient, emergency, and hospital outpatient surgery services to members enrolled under L.A. Care Health Plan's expanded Healthy Kids Program at Department of Health Services' hospitals, effective upon date of full execution through June 30, 2005, with provisions for four automatic one-year renewals through June 30, 2009.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

By approving the recommended action, the Board is authorizing the Department of Health Services (DHS or Department) to provide inpatient, emergency, and hospital outpatient services to certain low-income children from birth through age 18 under the expanded Healthy Kids Program. Previously, the Board approved entering into such an Agreement with L.A. Care Health Plan (L.A. Care) for eligible children from birth through age 5.

FISCAL IMPACT/FINANCING:

The recommended Agreement with L.A. Care provides for the reimbursement to DHS hospitals at negotiated fee-for-service rates for the provision of inpatient, emergency, and hospital outpatient surgery services to beneficiaries enrolled in L.A. Care's Healthy Kids Program. The exact amount of revenue to be received by DHS from providing these services cannot be determined until such time as the program is operational.

The reimbursement rates are on file with DHS and are kept confidential in accordance with Health and Safety Code Section 1457. The rates have been shared with each Board member, the Chief Administrative Officer, and County Counsel.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Los Angeles County's Healthy Kids Program is funded by First 5 L.A., which receives State monies from Proposition 10 (tobacco tax initiative) and the Children's Health Initiative. The objective of the Healthy Kids Program is to provide low-cost health, dental, and vision coverage to children living in Los Angeles County whose family incomes are at or below 300 percent of the Federal Poverty Level, and who are ineligible for Medi-Cal or the Healthy Families Program, and have no job-based health insurance. On March 13, 2003, First 5 L.A. approved an Agreement with L.A. Care, a California Knox-Keene licensed health plan, to provide or arrange for health care services on a prepaid basis for Healthy Kids beneficiaries. To ensure that these children have Countywide access to inpatient, emergency, and hospital outpatient surgery services, L.A. Care subsequently asked the Department to become a participating provider in the Program.

On June 24, 2003, the Board authorized the Director of Health Services to execute an Agreement with L.A. Care for the Department's provision of inpatient, emergency and hospital outpatient surgery services to children enrolled in L.A. Care's Healthy Kids Program. At the time of this approval, the Healthy Kids Program was limited to children from birth through age 5.

On June 22, 2004, the Children's Health Initiative Coalition of Greater Los Angeles, a broad-based coalition co-convened by DHS, L.A. Care, and The California Endowment, announced that sufficient funds existed to expand the Healthy Kids Program to include children ages 6 through 18. Action by your Board is necessary to include this new group of children under this Agreement.

The recommended Agreement will allow Healthy Kids' enrollees to access the specified services available at LAC+USC Medical Center, Martin Luther King, Jr./Drew Medical Center, Harbor-UCLA Medical Center, and Olive View-UCLA Medical Center consistent with each hospital's license, certification, and accreditation.

Either party may terminate the Agreement, with or without cause, by giving the other party at least 120 calendar days written notice.

This is not a Proposition A Agreement because the services are provided by County employees.

Attachment A provides additional information.

County Counsel has approved the Agreement (Exhibit I) as to use and form.

CONTRACTING PROCESS:

L.A. Care approached DHS to become a participating provider in their network.

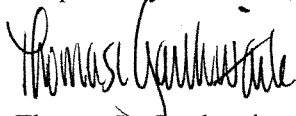
The Honorable Board of Supervisors
February 3, 2005
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IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the proposed Agreement will enable the Department to obtain reimbursement for Healthy Kids participants who receive services in DHS hospitals.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ck

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

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SUMMARY OF AGREEMENT

1. TYPE OF SERVICES:

DHS hospitals will participate in the L.A. Care Health Plan network to provide inpatient, emergency, and hospital outpatient surgery services to children ages 0 through 18 enrolled in the Healthy Kids Program.

2. AGENCY NAME AND CONTACT PERSON:

Howard Kahn, CEO
L.A. Care Health Plan
555 West 5th Street, 18th Floor
Los Angeles, CA 90013
(213) 694-1250, ext. 4151

3. TERM:

Effective upon date of full execution through June 30, 2005, with provisions for four automatic one-year renewals through June 30, 2009.

4. FINANCIAL INFORMATION:

The Agreement with L.A. Care Health Plan is anticipated to bring revenue into the DHS system through reimbursement received for the provision of inpatient, emergency, and hospital outpatient surgery services to Healthy Kids enrollees. However, the amount of revenue that may be generated as a result of this agreement cannot be determined until such time that the program is operational.

5. GEOGRAPHIC AREAS SERVED:

All areas.

6. ACCOUNTABLE FOR MONITORING AND EVALUATION:

Dave Beck, Interim Director
Office of Managed Care
(626) 299-5300

7. APPROVALS:

Department of Health Services: Fred Leaf, Chief Operating Officer

Contracts and Grants: Cara O'Neill, Chief

County Counsel: Robert E. Ragland, Senior Deputy Counsel

**L.A. Care Health Plan
Agreement
With County of Los Angeles
Department of Health Services**

THIS AGREEMENT ("AGREEMENT") is made and entered into on the date executed by the parties and is between the Local Initiative Health Authority for Los Angeles County, d.b.a. L.A. Care Health Plan ("Plan") and the County of Los Angeles, Department of Health Services ("Department") on behalf of the system of hospitals.

RECITALS

The parties are entering into this Agreement on the following premises:

Plan is an Independent Public Entity organized to provide or arrange for health care services on a prepaid basis. Plan is licensed under the California Knox-Keene Health Care Service Plan Act of 1975 (the "Knox-Keene Act") as a full-service health care service plan, to provide, arrange and pay for certain inpatient and outpatient services for Healthy Kids Program beneficiaries enrolled under the Plan Contract ("PHP Contract").

Department has as its primary objective the delivery of professional and inpatient, outpatient and ambulatory health care services. Department desires its facilities to participate in Plan's network of health care providers which is offered to Healthy Kids Program Members. The Department's facilities to be covered under this Agreement are listed in Exhibit "A", attached hereto and incorporated herein by reference ("Department Facilities").

Plan and Department deem it in their respective best interests to enter into this Agreement.

This Agreement shall be subject to review and approval by the State Department of Health Services ("SDHS"), and by the California Department of Managed Health Care ("DMHC") pursuant to the Knox-Keene Act.

- (1) Placing the patient's health in serious jeopardy,
- (2) Serious impairment to bodily functions,
- (3) Other serious medical consequences, or
- (4) Serious and/or permanent dysfunction of any bodily organ or part; or
- (5) with respect to a pregnant woman who is having contractions:
 - (i) that there is inadequate time to effect a safe transfer to another hospital before delivery; or
 - (ii) that transfer may pose a threat to the health or safety of the woman or the unborn child.

Emergency shall also include those conditions as defined in Title 42 of the Code of Federal Regulations section 489.24(b), as amended.

Health Services Contract - The contract between Plan, First 5 LA and Children's Health Initiative of Greater Los Angeles that establishes the Benefits Healthy Kids Members are entitled to receive from the Plan.

Healthy Kids Program/Member – Healthy Kids program is a benefit program offered to beneficiaries who meet the eligibility requirements. Healthy Kids Member shall mean a child who receives health care coverage under the Healthy Kids benefit program provided by Plan. Healthy Kids provides low cost health, dental, and vision coverage to children ages 0 up to their 19th birthday who live in Los Angeles County; Family income up to 300% of the Federal Poverty Level; U.S. Citizens, U.S. non-citizen nationals, or eligible qualified aliens or undocumented persons who meet all other eligibility requirements; Children cannot be eligible for no-cost Medi-Cal or Healthy Families; Children not covered by employer-sponsored health insurance plan.

Hospital Services - Those acute care hospital inpatient and hospital outpatient services covered by the Health Services Contract and offered pursuant to and consistent with Department's hospitals' licenses, certifications, or accreditations.

Inpatient - A Healthy Kids Member admitted to a hospital as a registered inpatient with the expectation that they will receive care in an acute bed.

Medically Necessary - Services or supplies, which, under the provisions of this Agreement, are determined to be:

- (1) Appropriate and necessary for the symptoms, diagnosis or treatment of the medical condition, and
- (2) Provided for the diagnosis or direct care and treatment of the medical condition, and
- (3) Within standards of good medical practice within the organized medical community, and
- (4) Not primarily for the convenience of the Healthy Kids Member, the Healthy Kids Member's physician or any other provider, and
- (5) The most appropriate service or supply which can safely be provided.

II. DEPARTMENT OBLIGATIONS

- 2.1 **Covered Services.** Department shall provide, or arrange for the provision of, Covered Services to Healthy Kids Members which are Medically Necessary, according to the terms of the Health Services Contract and this Agreement. All Covered Services provided by or arranged to be provided by Department are available to all Healthy Kids Members and are included in the rates as set forth in Exhibit B. Covered services shall include Inpatient Hospital Services, Emergency Room Services, and Outpatient Surgery Services as offered pursuant to and consistent with the licensure of the Department's hospitals, Professional Services and Ambulatory Care Services.
- 2.2 **Availability.** Department shall ensure that Covered Services are readily available during regular business hours and that inpatient and emergency services are available twenty-four (24) hours per day, seven (7) days per week, including holidays. Subject to Paragraph 9.12, Department shall provide, or arrange for the provision of, such services to Healthy Kids Members in the same manner, in accordance with the same standards as such services are provided to others of Department's patients, and without regard to the degree or frequency of utilization of such services by a Healthy Kids Member in accordance with and subject to the terms of this Agreement. To the extent required by law or regulation, Department agrees to comply with the Access Standards delineated in Section 3 of the PM.
- 2.3 **Standard of Care.** Department shall comply with all applicable Federal and State laws governing the provision, or arrangement for the provision, of Hospital Services, Ambulatory Care Services and Professional Services, including health facility licensing requirements administered by SDHS, and shall provide Covered Services in accordance with generally accepted standards at the time services are rendered, including, but not limited to, those established by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). Department shall participate in Plan's Quality and Utilization Management Programs and abide by decisions made by such programs, or as directed by the Plan's Quality Improvement Committee/Medical Director.
- 2.4 **Hospital Licensure and Accreditation.** As a material term of this Agreement, Department warrants and represents that its acute care hospitals are, and further warrants that its acute care hospitals will continue to be, as long as this Agreement remains in effect, the holders of valid, unrestricted licenses to operate in the State of California and accredited by JCAHO. In the event a single Department hospital loses JCAHO accreditation, Plan shall not terminate this Agreement, but shall suspend participation of such hospital in the Healthy Kids network until such time hospital obtains JCAHO accreditation. Upon renewal of JCAHO accreditation, hospital will be reinstated as a participating hospital in the Healthy Kids network. However, during the transition of the loss of JCAHO accreditation, hospital will receive payment for inpatient services up until

Financial Officer, Business Office Manager, Medical Staff Manager, and Utilization Management and Quality Improvement Manager, and shall notify Plan of any changes thereto.

- 2.10 Plan Grievance Procedures. Department shall cooperate with Plan in identifying, processing and resolving all Healthy Kids Member complaints and grievances pursuant to Plan's standard grievance procedures. Department, its Physician, or other staff as appropriate, shall be entitled to respond to any Healthy Kids Member grievance and such response shall be given due consideration in resolving such grievance and agrees to use the same grievance procedure described in the PM.

In accordance with California Health and Safety Code Section 1368(b)(2) and related subparagraphs, Department has the right to submit all unresolved grievances to DMHC.

DMHC is responsible for regulating health care service Plans. The DMHC has a toll-free number (1-800-400-0815) to receive complaints regarding health Plans. If Department has a grievance against Plan, Department should contact Plan and use Plan's grievance process. If Department needs DMHC's help with a complaint involving an emergency grievance or with a grievance that has not been satisfactorily resolved by Plan, Department may call DMHC's toll-free telephone number listed above (Health and Safety Code §1368.02).

- 2.11 Federal Lobbying Certification. Department shall comply with 31 U.S.C. 1352, which prohibits the use of Federal funds for lobbying. By signing this Agreement, the authorized agent executing this Agreement certifies that to the best of his or her knowledge and belief:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of Department, to any person for influencing or attempting to influence an officer or employee of an agency of the United States Government, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the making, awarding, or entering this Agreement, Federal grant, or cooperative agreement, and the extension, continuations, renewal, amendment, or modification of this Agreement, grant, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Agreement, Department shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

promotional materials or otherwise without the prior written consent of that party and shall cease any such usage immediately upon written notice of the party or upon termination of this Agreement, whichever is sooner.

III. PLAN OBLIGATIONS

- 3.1 Provider Manual. Plan shall comply with the provisions set forth in those portions of the PM in Exhibit "C" which are not explicitly excluded from this Agreement. Nothing in this Agreement shall be interpreted to limit or otherwise delegate to Hospital the responsibilities of Plan, including, but not limited to, the furnishing of services in a manner providing continuity of care and ready referral of patients to other providers, pursuant to the Knox-Keene Act. Department is not responsible for arranging transport of Plan's Healthy Kids Members.
- 3.2 Identification Card. Plan shall issue Plan identification cards to Healthy Kids Members as set forth in the PM. Department may rely on confirmed identification cards to verify enrollment, but not eligibility.
- 3.3 Eligibility Determination. Plan shall promptly confirm eligibility to Department as set forth in the PM.
- 3.4 Administrative Services. Plan shall perform or contract for those services incident to the administration of the Health Services Contract, including, but not limited to, the processing of enrollment applications, assignment of Healthy Kids Members to their PCPs, and the administration of claims for Benefits.

IV. COMPENSATION

- 4.1 Payment of Department by Plan. Plan shall pay Department for Covered Services set forth in this Agreement rendered by or through Department Facilities to Healthy Kids Members at the rates and in accordance with the procedures set forth in Exhibit "B", attached hereto and incorporated herein by reference.
- 4.2 Children with CCS Eligible Conditions. Certain Healthy Kids Members may be diagnosed with certain conditions that may qualify such Healthy Kids Members for benefits under the California Children's Services Program ("CCS Member"). Department shall seek reimbursement for Healthy Kids Members with a CCS qualifying diagnosis, for Healthy Kids Members approved for CCS, from SDHS if the Department Facility which is providing such care is a CCS certified provider; otherwise, Department shall notify Plan of such diagnosis and assist Plan in transferring such Healthy Kids Member to a certified CCS hospital or facility for treatment.

- 4.6 Billing Format. Department shall bill Plan within one hundred eighty (180) days from the date of discharge for Covered Services rendered to an Inpatient and one hundred eighty (180) days after the month in which Covered Services were rendered on an Outpatient basis or Plan may deny payment. In the event that a claim is denied, Plan shall provide the denial and reasons therefore to Department. If Department demonstrates extenuating circumstances preventing it from submitting claim as stated above, including but not limited to situations relating to delays in establishing Healthy Kids Member's eligibility, Plan shall, in good faith, make payment on the claim. Department shall bill on the Universal Billing Form 92 ("UB-92") or its successor forms as is customary for Department, for all services, including Professional and Ambulatory Care Services. Plan is aware that Department utilizes all-inclusive per diem billing and does not provide itemized statements.
- 4.7 Timeliness of Payment. Plan shall pay Department within thirty (30) Working Days of receipt of a bill submitted in accordance with Paragraph 4.6 unless the bill or substantial portion thereof, is contested by Plan, in which case Department shall be notified in writing within thirty (30) Working Days with a detailed explanation of basis for the "contested" bill. The term "contested" in this paragraph has the same meaning as in the California Health and Safety Code, Section 1371.

V. QUALITY AND UTILIZATION MANAGEMENT

- 5.1 Plan's Responsibilities. Plan is obligated under law to conduct quality and utilization management activities that identify, evaluate and remedy problems relating to access, continuity and quality of care, utilization and the cost of services. Accordingly, Plan shall conduct a quality and utilization management program as set forth in the PM. Plan's program shall include the establishment of peer review committees to conduct quality of care and utilization review activities in accordance with the California Health and Safety Code Sections 1370 and 1370.1. All quality and utilization management forms, records and other information in Plan's possession shall remain the property of Plan and shall remain confidential.
- 5.2 Department's Responsibilities. Department shall cooperate with Plan in monitoring quality and utilization management activities when delegated to Department by Plan.
- 5.3 Credentialing. Except as set forth in this Paragraph, physicians, nurses, and other appropriate staff of Department Facilities shall be credentialed, as appropriate, by Department and shall not be subject to any Plan credentialing/re-credentialing process, including, but not limited to, Plan's credentialing process as set forth in the PM. Upon prior notification and within six (6) months of the

- (d) upon reasonable request and with proper consent, providing copies of a Healthy Kids Member's medical records to any other Plan Provider treating such Healthy Kids Member.

- 6.3 Access to Financial Records. With prior written notice by Department to Healthy Kids Members, Plan shall have access at reasonable times, upon demand, to the books, records and documents of Department relating to Covered Services provided, including, but not limited to, any charges to, or payments received from, Healthy Kids Members by Department.
- 6.4 Confidentiality. Plan and Department agree to keep confidential and to take precautions as is customary for each party to prevent the unauthorized disclosure of any and all medical and/or contractual records and information required to be prepared or maintained by Department or Plan under this Agreement. Plan acknowledges that Department, as a public entity, may have a legal obligation to make public information regarding this Agreement and its operation.
- 6.5 Regulatory Compliance. Department shall maintain such records and provide such information to Plan, the United States Department of Health and Human Services, SDHS, Department of Justice ("DOJ") and DMHC as may be necessary for compliance by Plan with Federal and State law including, but not limited to, the Knox-Keene Act as amended, and the rules and regulations duly promulgated thereunder, for a period of at least five (5) years from the close of Department's last fiscal year in which this Agreement is in effect. This obligation of Department does not cease upon termination of this Agreement whether by rescission or otherwise. Subject to the requirements of State and Federal law, all records, books and papers of Department pertaining to Healthy Kids Members shall be open to inspection during normal business hours by Plan and State and Federal authorities. Plan shall provide Department with a copy of any survey, report or other document submitted to SDHS, or DMHC, or both, which includes some or all of the following information within thirty days following submission: inpatient and outpatient payments, and the number of paid days for any given period (i.e. calendar year, fiscal year, etc.) as between Plan and Department.
- 6.6 HIPAA. The parties acknowledge the existence of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations ("HIPAA"). Plan understands and agrees that it is a 'covered entity' under HIPAA and, as such, has obligations with respect to the confidentiality, privacy, and security of patients' medical information, and must take certain steps to preserve the confidentiality of this information, both internally and externally, including the training of staff and the establishment of proper procedures for the release of such information, including the use of appropriate consents and authorizations specified under HIPAA.

first have given the breaching party at least sixty (60) days written notice of the breach and the need to cure, and that party must have failed to cure the breach within such 60 day period.

8.4 Immediate Termination by Plan. Except as set forth in Paragraph 2.8, after reviewing pertinent information, Plan may, at its option, immediately terminate this Agreement by written notice:

- (a) upon the occurrence of any of the conditions described in any paragraph in Paragraph 2.12, or
- (b) if Plan determines that the health, safety or welfare of Healthy Kids Members is jeopardized by continuation of this Agreement.

8.5 Immediate Termination for Insolvency. Either party may, at its option, immediately terminate this Agreement by written notice upon a reasonable determination that the other party is unable to pay its debts as they mature, or has insufficient capital to carry on its business, or files a petition commencing a voluntary case under any chapter of the Federal Bankruptcy law or the expiration of ninety (90) days following the filing of an involuntary petition that remains undismissed which seeks reorganization, arrangement, adjustment or composition against the party.

8.6 Termination for Improper Consideration. Department may, by written notice to Plan, immediately terminate the right of Plan to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Plan, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment, or extension of the Agreement, or the making of any determination with respect to Plan's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Plan as it could pursue in the event of default by Plan.

Plan shall immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Among other items, such improper consideration may take the form or cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.7 Effect of Termination. As of the date of termination, this Agreement shall be considered of no further force or effect whatsoever and each of the parties shall be relieved and discharged from their respective obligations under this Agreement, except that:

prominent position at Plan's places of business. County Child Support Services Department will supply Plan with the poster to be used.

- 9.3 Partial Invalidity. If for any reason, any provision of this Agreement is held invalid, the remaining provisions shall remain in full force and effect.
- 9.4 Waiver of Breach. The waiver of any breach of this Agreement by either party shall not constitute a continuing waiver of any subsequent breach of either the same, or any other provision of this Agreement.
- 9.5 Exhibits. All Exhibits referenced in this Agreement, including those listed on the Table preceding the signature page, are incorporated herein by this reference.
- 9.6 Amendment. Unless otherwise specifically provided herein, this Agreement may be amended only by mutual written consent of Plan and Department's duly authorized representatives by following the same formalities and procedures utilized in Agreement's original execution. Notice to, or consent of, Healthy Kids Members shall not be required for any amendments to this Agreement.
- 9.7 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Plan is subject to the requirements of the Knox-Keene Act, as amended, (Chapter 2.2 of Division 2 of the Health & Safety Code), and the rules and regulations duly promulgated thereunder (Subchapter 5.5 of Chapter 3 of Title 10 of the California Code of Regulations), as well as the regulations governing the Healthy Kids Program. Any provision required to be in this Agreement by such statutes or regulations is incorporated herein by reference and is binding on both parties.
- 9.8 Effect of Changes in Law.
 - (a) Where a change in applicable law or regulation requires modification to this Agreement, or any Exhibits to this Agreement, including, but not limited to, the PM, or where Plan chooses to modify a procedure, process or guideline in the PM that effects an obligation of Department, either party may submit to the other in accordance with the notice provisions in Paragraph 9.14 the proposed modification. The proposed modification shall become effective upon sixty (60) calendar days of receipt of the proposed modification, unless a written objection is made to the other party and served in accordance with Paragraph 9.14 during this sixty day period. Within sixty calendar days of receipt of this objection, the parties shall meet in a good faith effort to resolve the outstanding objection, and, if possible, negotiate and implement a mutually agreed upon modification.
 - (b) If the parties cannot agree as to a modification under the process described in subsection (a) above, this Agreement shall remain unchanged and in effect, except that either party shall have right to terminate this Agreement, in whole or in part, in accordance with Paragraph 8.2, or upon shorter notice as reasonably necessary in order to avoid placing either party in legal jeopardy.

(b) **Bundling of Department's Claims.** Notwithstanding any provisions in this Agreement, Department may, in its sole discretion, bundle two or more claims seeking payment for services performed under this Agreement for purposes of resolving such claims as set forth in this Paragraph 9.12.

9.13 **Advertising.** Department hereby expressly consents to Plan's including Department, or Department Facilities' names in any document prepared for the purpose of marketing Plan. Department shall have the prior right to review and approve such use, provided, however, that such approval shall not be unreasonably denied. Plan shall have no other right to use the name of Department or any of its facilities in any advertisement or otherwise without the express written consent of Department. Department may identify itself as a Plan Hospital or Plan Provider. Department shall have no other right to use the name of Plan in any advertisement or otherwise without the express written consent of Plan. Department further agrees that it will obtain Plan's prior approval for any marketing materials to be utilized in connection with the Healthy Kids Program, or this Agreement.

9.14 **Notices.** Any and all notices, required, permitted, or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States mail, certified or registered, return receipt requested, and addressed as follows:

For Plan: L.A. Care Health Plan
555 W. Fifth Street, 29th Floor
Los Angeles, California 90013
Attention: Howard A. Kahn,
Chief Executive Officer

For Department: County of Los Angeles
Department of Health Services
313 N. Figueroa St., 9th Floor, Room 903
Los Angeles, California 90012
Attention: Fred Leaf, C.O.O.
Telephone: (213) 240-7738

County of Los Angeles
Department of Health Services
Contracts and Grants Division
313 North Figueroa Street, 6th Floor East
Los Angeles, California 90012
Attention: Irene Riley, Director
Telephone: (213) 240-7723

If each party claims and is entitled to indemnity from the other, the liability of each to the other shall be determined according to principles of comparative fault.

Indemnity shall include damages, reasonable costs, reasonable expense, and reasonable attorney's fees as incurred by the party indemnified. The foregoing indemnification provision will remain in effect following the termination of this Agreement.

9.21 Priority of Admission. Department agrees to provide Covered Services on the same basis as such services are provided to other patients of Department Facilities. No special consideration, either favorable or unfavorable, shall be extended to Healthy Kids Members under this Agreement because of their affiliation with Plan other than as specifically provided for this Agreement. Plan recognizes that Department accepts Healthy Kids Members as patients hereunder as staffing, equipment, and bed availability allows. This acceptance of patients is further subject to Department's priority responsibility to provide care first to any emergency patients and then to others as discussed in the County Code, including those not covered under this Agreement for whom Department has a legal responsibility to provide care, including, but not limited to, any obligation of care of Department under section 17000 of the Welfare and Institutions code, and the Los Angeles County Code.

9.22 Nondisclosure of Rates. Each party hereto agrees to use its best efforts to maintain the confidentiality of the compensation rates set forth in Exhibit "B". The parties acknowledge that the DMHC is charged by law with protecting the confidentiality of contract rate information for managed care contracts filed with that agency. Department shall make reasonable attempts to protect this information as "official" and "trade secret" information under the Health and Safety Code section 1457, among other authority. For Department, only the members of Department's Board of Supervisors, Director, Chief Administrative Officer, Auditor-Controller, Treasurer, Counsel and their respective authorized representatives shall have access to the rate information contained herein, and only for the purpose of carrying out official County functions by Department.

If such rate information is disclosed to other persons or agencies by Department, because such disclosure on good faith belief of Department is required or permitted by the California Public Records Act or otherwise by law, Plan shall have no recourse against Department, its officers, agents, and employees in connection with any and all damages and liability which Plan may incur as a result, except to claim breach of contract and terminate as otherwise described in this Agreement.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be subscribed by its Director of Health Services, and Plan has caused this Agreement to be subscribed in its behalf by its duly authorized officer, on the day, month, and year set forth below.

LOCAL INITIATIVE HEALTH AUTHORITY
FOR LOS ANGELES COUNTY

Date: _____

By: _____
Howard A. Kahn
Chief Executive Officer

County of Los Angeles

Date: _____

By: _____

APPROVED AS TO FORM
BY THE OFFICE OF
COUNTY COUNSEL:

RAYMOND G. FORTNER
COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

CARA O'NEILL, CHIEF
CONTRACTS AND GRANTS DIVISION

EXHIBIT A
TO
L.A. CARE HEALTH PLAN
WITH
COUNTY OF LOS ANGELES-DEPARTMENT OF HEALTH SERVICES
PROVIDER LISTING

LAC+USC Medical Center
1200 N. State Street
Los Angeles, CA 90033

King/Drew Medical Center
12021 Wilmington Avenue
Los Angeles, CA 90059

Harbor-UCLA Medical Center
1000 W. Carson Street
Torrance, CA 90509

Olive View-UCLA Medical Center
14445 Olive View Drive
Sylmar, CA 91343

EXHIBIT B
TO
L.A. CARE HEALTH PLAN
WITH
COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
RATES

Inpatient ICU, CCU, NICU all-inclusive services: \$_____ per day

Inpatient Trauma all-inclusive services: _____% of billed charges for
the first 3 days; level of care
thereafter

Inpatient Burn Services: \$_____ per day

Inpatient all-inclusive services for all levels of care
excluding ICU, CCU, NICU, Trauma, and
Burn Services:

\$_____ per day

Emergency Room Services all-inclusive:

\$_____ per visit

Outpatient surgery all-inclusive:

\$_____ per surgery

EXHIBIT C
TO
L.A. CARE HEALTH PLAN
WITH
COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

PROVIDER MANUAL

The following Sections from the Plan's Provider Manual shall be deleted in their entirety and shall not be incorporated by reference in this Agreement:

Section 2	Membership and Member Services
Section 5.7	Services Requiring Prior Authorization
Section 5.14	Outpatient & Hospital Referral Guidelines
Section 6.8	Clinical Monitoring Strategies
Section 6.11	Mechanisms for Corrective Action
Section 7	Provider Credentialing and Re-Credentialing
Section 8.5	Mid-Level Medical Practitioners
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